

GOVERNMENTAL OPERATIONS

Agency 105

Office of Financial Management

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2005-07 Expenditure Authority	281.8	37,856	79,019	116,875
Total Maintenance Level	299.4	36,843	83,173	120,016
Difference	17.7	(1,013)	4,154	3,141
Percent Change from Current Biennium	6.3%	(2.7)%	5.3%	2.7%
Performance Changes				
Improved Permitting and Mitigation		1,160		1,160
Fiscal Note Assistance		250		250
E-Commerce Initiative		100		100
Develop Incentive Pay Structure		20		20
Educational Data Center	3.5	800		800
Transportation Funding Formula		280		280
Agricultural Pilot Project		500		500
Transportation Capital Budget System			75	75
Health Care Planning	1.8		360	360
Constituent Relations Management System	2.0		965	965
Grants, Contracts, and Loan Management System	7.4		5,464	5,464
State Population Survey		133		133
Office of Regulatory Assistance #	5.0	2,100		2,100
Roadmap-Defining Core Financial Data Needs	6.5		1,945	1,945
Permit Integration	3.0	640	760	1,400
Office of Regulatory Assistance Service Center		400		400
Revise Pension Gain-Sharing #		(102)	(64)	(166)
Nonrepresented Staff Health Benefit		152	99	251
Nonrepresented Staff Salary Change		1,889	1,619	3,508
Subtotal	29.2	8,322	11,223	19,545
Total Proposed Budget	328.6	45,165	94,396	139,561
Difference	46.9	7,309	15,377	22,686
Percent Change from Current Biennium	16.6%	19.3%	19.5%	19.4%
Total Proposed Budget by Activity				
Accounting Services for Other Agencies	13.3	408		408
Administrative Activity	11.5	3,165	430	3,595
Assessment Payments on State Lands		150		150
Budget Driver and Expenditure Forecasts, Research, and Monitoring	10.7	2,772	100	2,872
Central Financial Systems Development and Maintenance	101.9	1,863	38,479	40,342
Collective Bargaining	19.5	658	3,194	3,852
Criminal History Federal Grant	.2	4	1,653	1,657

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	Annual FTEs	General Fund State	Other Funds	Total Funds
Governor's Budget Development	41.7	6,081	748	6,829
Office of Regulatory Assistance	3.0	4,200	760	4,960
Personal Service and Client Service Contracts	4.6	1,140		1,140
Population Estimates, Forecasts, and Census Data	7.3	1,555	246	1,801
Risk Management	25.0	612	23,925	24,537
Statewide Accounting Policies and Reporting	24.0	3,061	629	3,690
Statewide Economic and Revenue Forecasts, Fiscal Planning, and Research	7.3	1,422	25	1,447
Statewide Policy Development for Governor's Office	25.9	7,637	1,697	9,334
Washington Commission for National and Community Service	10.5	962	21,244	22,206
WorkFirst Program	5.5	1,336		1,336
Management, Accountability and Performance	17.9	5,357		5,357
Other Statewide Adjustments		2,782	1,266	4,048
Total Proposed Budget	329.6	45,165	94,396	139,561

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Improved Permitting and Mitigation

The Association of Washington Cities and the Washington State Association of Counties will continue work on a project to improve environmental permitting and mitigation processes. These efforts are intended to result in a one-stop permitting process for federal, state, and local agencies.

Fiscal Note Assistance

Additional fiscal analytical capacity is needed because of the increasingly complex environment in which felony sentencing legislation is developed.

E-Commerce Initiative

The Office of Financial Management will contract for a study to determine gaps in broadband access and to assess which areas could benefit from a telecommuting and e-business economic strategy.

Develop Incentive Pay Structure

A standards-based education, preparation and licensing system should ensure that teachers have the skills and knowledge necessary for world-class teaching. Teachers should be compensated for their performance, and their pay system should acknowledge difficult assignments, recognize staff expertise, use incentives, and reward achievements. A state committee will develop a professional performance-based educator salary system and identify the elements and support systems necessary for its implementation. The committee's recommendations will be presented to the Governor and the Legislature by December 15, 2008.

Educational Data Center

The Washington Learns report recommends ten long-term goals aimed at raising overall educational attainment in Washington. The Governor will create a P-20 council to track progress toward these goals and focus on the transitions between early learning, K-12, and higher education. To support the work of the P-20 council, the Office of Financial Management (OFM), with the Office of Superintendent of Public Instruction (OSPI), the Higher Education Coordinating Board, the State Board for Community and Technical Colleges, the four-year institutions of higher education, and the Work Force Training and Education Coordinating Board, will create a data system that coordinates and builds upon existing administrative databases, such as the K-12 core student records system and the public centralized higher education enrollment system.

Transportation Funding Formula

The Joint Legislative Audit and Review Committee's (JLARC) recent review of K-12 pupil transportation funding found significant structural and implementation problems with the current funding formula. Because of these structural problems, JLARC does not recommend increasing the allocation rate used in the current formula to address funding needs. The report recommends that the Legislature should develop a funding formula customized to Washington's needs. OFM will contract with consultants who have expertise in pupil transportation and K-12 funding formula distributions. The contractors, in consultation with OFM, the Legislature, and OSPI, will develop at least two options for a new pupil transportation formula.

Agricultural Pilot Project

Funds are provided for the Agricultural Pilot Project at the William D. Ruckelshaus Center. The project will provide funding and seek matching funds for demonstration projects that promote agricultural viability and environmental benefits.

Transportation Capital Budget System

Funding is provided to the Office of Financial Management (OFM) to address transportation budget and reporting requirement improvements. (Motor Vehicle Account-State)

Health Care Planning

Additional research staff are provided to enhance the coordination of health care planning across multiple agencies and the ability to research complex health care issues independent of programmatic limitations. (Health Services Account)

Constituent Relations Management System

OFM has initiated a project to develop requirements, solicit bids, and recommend an automated tool to provide an enhanced Constituent Relations Management System (CRMS). The CRMS will be used by the Governor's office and other agencies that interact directly with the public. Funding is provided for acquisition of the recommended system, its implementation, required information technology infrastructure and support, and user training. (Data Processing Revolving Account-Nonappropriated)

Grants, Contracts, and Loan Management System

The Office of Financial Management Statewide Financial Systems, in collaboration with the Departments of Ecology and Community, Trade and Economic Development, has initiated an enterprise project to manage grants, contracts, and loans (GCL). Agency or program-specific spreadsheets and databases will be replaced with one centralized, easily accessible system. (Data Processing Revolving Account-Nonappropriated)

State Population Survey

Population survey results will be more reliable as a result of changing the methodology for conducting telephone surveys. A change is necessary because fewer people are willing to respond to such surveys. Funding is provided for the additional costs necessary to conduct surveys, and for a personal services contract that will produce a plan to change survey methodology.

Office of Regulatory Assistance #

The Office of Regulatory Assistance (ORA) is scheduled to sunset on June 30, 2007. Proposed legislation has been submitted to repeal the sunset date. Additional funding is not required as funds were appropriated for ORA in the 2005-07 Biennium.

Roadmap-Defining Core Financial Data Needs

Performance auditing and the Government Management, Accountability and Performance (GMAP) program require consistent, reliable data. The Roadmap project will identify key state and agency strategic performance measurement and core financial data needs; develop common definitions for current data elements; and recommend a new chart of accounts that meets state and agency needs. (Data Processing Revolving Account-Nonappropriated)

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Permit Integration

The Office of Regulatory Assistance will work with its partners to develop statewide, multi-agency permits for transportation infrastructure and other projects that integrate local, state, and federal permit requirements and mitigation standards. It also will establish specific performance measures. This collaborative project will create a streamlined permit process that will benefit Washington citizens and businesses. (General Fund-State, Motor Vehicle Account-State)

Office of Regulatory Assistance Service Center

There is a growing demand for assistance from the Office of Regulatory Assistance (ORA) service center and a need for improved capacity for ORA regional leads. A conservative estimate shows that service center contacts have risen by more than 40 percent since 2002. By fully staffing the service center, ORA will be able to provide assistance to small projects, as well as to the general public. In addition, service center staff will provide technical and administrative support to ORA regional leads, which will expand capacity for coordinating large, multi-agency projects by ten to fifteen percent.

ACTIVITY DESCRIPTIONS

Accounting Services for Other Agencies

The Office of Financial Management (OFM) provides comprehensive, cost-effective accounting, budgeting, and payroll services to small agencies. Small Agency Client Services (SACS) serves as the fiscal officer, financial advisor, budget officer, and service coordinator for these agencies.

Administrative Activity

The Administrative activity represents the OFM Director's Office. This includes the director, deputy director, legislative liaison, communications director, legal counsel, and their support staff.

Assessment Payments on State Lands

OFM pays taxes and other assessments on state-owned lands in accordance with RCW 79.44.

Budget Driver and Expenditure Forecasts, Research, and Monitoring

The Budget Driver, Expenditure Forecasts, Research, and Monitoring unit supports the fiscal planning, budget monitoring, and risk management functions of the Office of Financial Management. The unit develops and provides data and quantitative analysis for the state's health care, human services, and K-20 education programs in support of budget development; provides staffing for OFM's role on the Caseload Forecast Council; gives OFM the ability to monitor expenditures and identify the sources of rapid expenditure growth; and provides technical assistance to agency staff in the analysis of program expenditures and the development of information systems to support cost containment and risk management.

Central Financial Systems Development and Maintenance

The Office of Financial Management's (OFM) Central Financial Systems Development and Maintenance section develops, implements, and maintains statewide financial systems for use by state agencies. The financial systems provided by OFM include accounting, budgeting, and reporting systems that allow agencies to manage their financial operations and budget performance. OFM centrally provides these core financial systems so that each agency does not have to develop, operate, and maintain these systems individually, ensuring the maintenance of accurate and centralized accounting of the state's financial operations. (Data Processing Revolving Account)

Collective Bargaining

OFM represents the Governor in collective bargaining negotiations for wages, hours, and working conditions for represented classified employees, including those in higher education. As a result of legislation passed by the 2002 Legislature, OFM negotiates all master contracts and provides guidance for all supplemental bargaining. The first contracts were submitted to the Legislature for approval with the Governor's 2005-07 budget request. (Labor Relations Service Account)

Criminal History Federal Grant

OFM coordinates, administers, and monitors multiple federal justice grants, which are passed through to multiple state agencies and local jurisdictions in the form of interagency and interlocal agreements to support planning and implementation of Washington State's Justice Information Network (JIN). The JIN mission states that "any justice practitioner in the state will have complete, timely, and accurate information about any suspect or offender." Information will include criminal history and current justice status, come from data that has been entered only once, and be available in a single computer session from automated statewide systems.

Governor's Budget Development

OFM's Budget Division assists in the development of the Governor's budget proposal to the Legislature. Primary activities include evaluating budget requests from state agencies and providing the Governor with recommendations for funding levels; preparing the Governor's budget proposal; assisting the Governor in establishing financial, budget, and program policies for the state; and monitoring agency implementation of executive and legislative budget objectives. (General Fund-State)

Office of Regulatory Assistance

The Office of Regulatory Assistance coordinates permit assistance activities with various state agencies. It oversees the customer service, permit facilitation and coordination, and other activities within the permit assistance program in the Department of Ecology. It also oversees the contract with Ecology for permit assistance activities; works with businesses and project proponents on permitting issues and helps answer questions regarding state, federal, and local agency processes; and works to streamline regulatory processes. The Office of Regulatory Assistance also works with state agencies to develop and adopt an integrated permit system that would bring together project design, environmental review, permitting, and mitigation elements into a single process.

Personal Service and Client Service Contracts

The Personal Services and Client Services Contracts section develops and maintains statewide contract policies for personal services and client services based on state regulations. Contract staff provide training and consult with agencies regarding contract and procurement issues to ensure agencies are appropriately expending contract dollars. The staff also provides review and approval of approximately 1,200 personal service contracts filed with OFM annually to oversee state agency contract practices and compliance with statutory requirements under RCW 39.29.

Population Estimates, Forecasts, and Census Data

The Population Center produces the official population figures for the state, cities, towns, and counties. The statutorily required center provides the current and future population estimates that are needed for statewide economic and revenue forecasts and fiscal planning activity, budget driver and expenditure forecast activity, and the Initiative 601 spending limit. The center is also responsible for all statutes using population size as criteria for program administration/eligibility for the allocation of millions of dollars to local governments, and for other budget and program planning activities. The center certifies all municipal boundary changes in Washington, acts as liaison to the federal Bureau of the Census for state and local agencies, and assists the bureau with decennial census and product distribution activities through the State Data Center program. (Violence Reduction and Drug Enforcement Account)

Risk Management

The Risk Management program identifies, controls, and reduces the financial impact of general liability, vehicle, and property losses to the state, and develops programs to finance the state's exposure to risk. In addition, the program protects the beneficiaries and assets of local government self-insurance programs through effective regulation. Services provided include administering a self-insurance program to finance tort losses; purchasing commercial insurance on behalf of state agencies; receiving, processing, delegating, and investigating state agency tort claims and legislative relief claims; maintaining a comprehensive master database of all claims; providing training to state agencies on how to lessen risks associated with tort liabilities; and approving and regulating local government property/liability risk pools and health/welfare employee benefit programs. (Risk Management Administration Account)

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Statewide Accounting Policies and Reporting

The Statewide Accounting Policies and Reporting section develops and maintains state administrative and accounting policies for payroll, travel, federal grants, accounting, and reporting. Policies incorporate federal and state regulations, as well as national accounting standards. The staff consults with and provides training to state agency personnel on the policies. The Statewide Accounting unit also monitors financial data for compliance with the policies and prepares a number of reports including the state's Comprehensive Annual Financial Report, the Audit Resolution Report, and the federally-mandated Single Audit Report. (Data Processing Revolving Account, Auditing Services Revolving Account)

Statewide Economic and Revenue Forecasts, Fiscal Planning, and Research

The Forecasting Division supports statewide fiscal planning and budget and revenue monitoring functions of OFM directly related to the development of the Governor's budget and the management of biennial budgets. The Forecasting Division provides analysis of the impact of major events, social and economic trends, and public policies on the state economy and revenues. It supports OFM's role on the Economic and Revenue Forecast Council and the Expenditure Limit Committee. It statutorily provides official fiscal impact statements for statewide ballot measures. The division provides statewide revenue, expenditure, and expenditure limit information (Six-Year Outlook) to support the preparation of the Governor's budget and the evaluation of biennial budgets in terms of risks and sustainability. The division also provides analysis and recommendations to the Governor for the development of revenue and tax policy.

Statewide Policy Development for Governor's Office

The Executive Policy Office performs policy research and analysis for the Governor, and works with agencies and OFM budget staff in the development of proposed legislation and the Governor's budget proposal.

Washington Commission for National and Community Service

The Washington Commission for National and Community Service was created in 1994 as part of the National and Community Service Trust Act of 1993 to implement AmeriCorps and support other national service initiatives throughout the state. Currently, the commission receives approximately \$14 million annually in competitive federal funds, supporting 15 programs that address major state and gubernatorial priorities. One of the largest programs, the Washington Reading Corps, places 250 members in needy elementary schools to raise reading levels of struggling readers. The commission will also have major priorities and programs as part of the national Citizen Corps that will support volunteers in homeland security activities. Commission staff support a 25-member commission appointed by the Governor that sets policy, identifies goals, and establishes priority needs that national service should address. In addition, the commission utilizes service as a strategy to help address gubernatorial priorities, ensures compliance with federal grant policies, and assesses the impact of national service investments in the state.

WorkFirst Program

OFM provides the staff support necessary to oversee the Governor's planning and implementation of Washington State's welfare reform initiative called WorkFirst. This program helps financially struggling families find and retain meaningful jobs, and build a better life for their children.

Management, Accountability and Performance

This activity assists agencies in successfully implementing the Governor's management agenda, including Plain Talk and GMAP (Executive Orders 05-02 and 05-03) It also provides technical assistance and enterprise-wide strategic direction on performance and accountability.

Other Statewide Adjustments

This item reflects proposed compensation and other adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.